

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Regular Meeting of the Board of Public Utilities

Date of Meeting: January 19, 2007

Time of Meeting: 8:15 a.m. (began at 8:19 a.m.)

Place of Meeting: Public Utilities Boardroom
3901 Orange Street (at Ninth & Orange Streets)
Riverside, California

PLEDGE OF ALLEGIANCE TO THE FLAG WAS GIVEN

Roll Call

Present: Jim Anderson (Chair) Mary Curtin
Dave Barnhart Bob Stockton
Ken Sutter Robert Elliott
Bernie Titus

Absent: Joe Tavaglione (absence due to business)
Peter Hubbard. (absence due to business)

Assistant City Manager Michael Beck was in attendance.

PRESENTATIONS

1. SOLAR CUP PRESENTATION
Assistant Director/Finance Jerry Rogers presented an RPU sponsorship check of \$3,000 to the Engineering and Technology Club of Arlington High School in the Riverside Unified School District. Ms. Linda Jirsa, teacher of the club, and Dr. Hanson, principal of Arlington High School, accepted the check and thanked the Utility for their sponsorship.
2. EMPLOYEE PRIDE AWARD (Program to Recognize & Identify Dedicated Employees)
General Manager Dave Wright presented a Pride Award to each of his assistant directors for being such a great team:
Jerry Rogers – Assistant Director/Finance and Customer Relations
Gary Nolff – Assistant Director/Power Supply
Kevin Milligan – Assistant Director/Water
Steve Badgett – Deputy Director/Energy Delivery

MINUTES

3. The minutes from the Board of Public Utilities meeting on December 15, 2006 was approved as submitted.

Ayes: Anderson, Curtin, Barnhart, Stockton, Sutter, Elliott, and Titus.

Absent: Joe Tavaglione (absence due to business)
Peter Hubbard. (absence due to business)

4. The minutes from the Board of Public Utilities meeting on January 5, 2007 was approved as submitted.

Ayes: Anderson, Curtin, Barnhart, Stockton, Sutter, Elliott, and Titus.

Absent: Joe Tavaglione (absence due to business)
Peter Hubbard. (absence due to business)

CITIZENS PARTICIPATION

5. None.

COMMITTEE REPORTS

6. PROPERTY COMMITTEE REPORT - The Property Committee meeting scheduled on January 5, 2007 was cancelled.
7. "SPECIAL" WATER COMMITTEE MEETING - The "Special" Water Committee meeting scheduled on January 5, 2007 was cancelled.
8. ELECTRIC COMMITTEE MEETING

The Board of Public Utilities accepted and filed the January 10, 2007, Electric Committee minutes.

CONSENT CALENDAR

A motion was made to approve the following items on the Consent Calendar with the exception of Item 10, **MAGNOLIA SUBSTATION LANDSCAPE IMPROVEMENT PROJECT – AWARD OF BID NO. 6449**, and Item 12, **SIERRA CREEK DEVELOPMENT, LLC., LICENSE AGREEMENT FOR USE OF A PORTION OF THE GAGE CANAL**, which were moved to the Discussion Calendar.

Motion – Curtin. Second – Titus.

Ayes: Anderson, Curtin, Barnhart, Stockton, Sutter, Elliott, and Titus.

Noes: None

Abstain: None.

Absent: Joe Tavaglione (absence due to business)
Peter Hubbard. (absence due to business)

ELECTRIC ITEMS

9. 12 kV LINE EXTENSION - EIGHT COMMERCIAL BUILDINGS
WORK ORDER 060113-103

The Board of Public Utilities approved the capital expenditure of \$97,000 to install a primary line extension to serve eight new commercial buildings located at 6646 Doolittle Avenue, westerly of Van Buren Boulevard.

10. **MOVED TO DISCUSSION CALENDAR**

WATER ITEMS

11. LANDSCAPE MAINTENANCE AT VARIOUS PUBLIC UTILITIES PROPERTIES;
APPROVAL OF AGREEMENT WITH SOHOLT AND COMPANY LANDSCAPE, INC.

The Board of Public Utilities:

- a. Authorized the expenditure of \$471,520 for landscape maintenance at various Public Utilities properties from February 1, 2007 to December 31, 2008 (23 months); and
- b. Approved an agreement for Landscape Maintenance at Various Public Utilities Properties, RFP No. 1017, with Soholt and Company Landscape, Inc.

OTHER ITEMS

12. **MOVED TO THE DISCUSSION CALENDAR**

DISCUSSION CALENDAR

10. MAGNOLIA SUBSTATION LANDSCAPE IMPROVEMENT PROJECT
AWARD OF BID NO. 6449

Board Member Dave Barnhart requested that this item be placed on the discussion calendar for more detail on the project. Project Manager/Senior Electric Engineer Joe Carrasco explained there were higher administrative costs for the project due to Cal Trans' coordination.

Following discussion, the Board of Public Utilities:

- a. Approved the capital expenditure of \$155,000 for Work Order 0706117 which includes all design, construction, contract administration, inspection, construction management and change order contingencies for the Magnolia Substation Landscape Improvement Project, Bid No. 6449; and
- b. Awarded a contract for the construction of Magnolia Substation Landscape Improvement Project, Bid No. 6449 to the lowest responsive bidder, Versa Landscape Inc. of Corona, California, in the amount of \$77,724.25.

Motion – Barnhart. Second – Curtin.

Ayes: Anderson, Curtin, Barnhart, Stockton, Sutter, Elliott, and Titus.

Noes: None

Abstain: None.

Absent: Joe Tavaglione (absence due to business)
Peter Hubbard. (absence due to business)

12. SIERRA CREEK DEVELOPMENT, LLC., LICENSE AGREEMENT FOR USE OF A
PORTION OF THE GAGE CANAL

Chairman Jim Anderson requested this item be placed on the discussion calendar to get

more clarity of how the Homeowner's Association (HOA) will acquire an obligation for the license agreement and how we track when the organization is formed, when lots are sold, and who pays us.

Assistant Director/Resources Gary Nolff first stated there was a typo in the report and agreement – The annual base rental fee should be \$4,032 instead of \$4,302. Mr. Nolff and Deputy City Attorney Susan Wilson then explained that the developer will inform us when the HOA takes it over, etc.

Following discussion, the Board of Public Utilities approved and recommended that the City Council approve the License Agreement between Sierra Creek Development, LLC, ("Developer") and the City of Riverside.

Motion – Anderson. Second – Curtin.

Ayes: Anderson, Curtin, Barnhart, Stockton, Sutter, Elliott, and Titus.

Noes: None

Abstain: None.

Absent: Joe Tavaglione (absence due to business)
Peter Hubbard. (absence due to business)

13. CONSTRUCTION OF HAWARDEN DRIVE 12-INCH WATER MAIN REPLACEMENT PROJECT - AWARD OF BID NO. 6457

Assistant Director/Water Kevin Milligan reported that increasing demand, pressure problems, and undersized pipes have caused many customer relations problems with this project

The CEO of S.J. & B Group, Inc., a Riverside based corporation, spoke regarding their bid.

Following discussion, the Board of Public Utilities:

- a. Approved the capital expenditure of \$960,000 for Work Order 0703185, which includes all design, construction, contract administration, inspection, construction management and change order contingencies for the Hawarden Drive 12-inch Water Main Replacement Project, Bid No. 6457;
- b. Determined that the bid from S.J. & B. Group, Inc. in the amount of \$630,414.00 is non-responsive;
- c. Awarded a contract for the construction of the Hawarden Drive 12-inch Water Main Relocation Project, Bid No. 6457 to the lowest responsive bidder, Utah Pacific Construction Company of Murrieta, CA, in the amount of \$639,158.00; and
- d. Authorized the issuance of change orders to the purchase order of up to 20 percent of the original amount for Bid No. 6457. Such changes will be reported to the Board of Public Utilities at the conclusion of the project.

Motion – Barnhart. Second – Elliott.

Ayes: Anderson, Curtin, Barnhart, Stockton, Sutter, Elliott, and Titus.

Noes: None

Abstain: None.

Absent: Joe Tavaglione (absence due to business)
Peter Hubbard. (absence due to business)

14. CONSTRUCTION OF DUFFERIN AVENUE 12-INCH WATER MAIN REPLACEMENT PROJECT - AWARD OF BID NO. 6440

Assistant Director/Water Kevin Milligan reported that the Dufferin Avenue water main is one of the oldest mains in the Riverside's water system and needs replacement.

The Board requested staff to re-evaluate our bid requirements (eight-years of experience under the same license and completion of at least 3 similar projects of the same scope) because it may be too stringent – the request will be brought to the Water Committee for modification.

Following discussion, the Board of Public Utilities:

- a. Approved the capital expenditure of \$1,070,000 for Work Order 0701846, which includes all design, construction, contract administration, inspection, construction management and change order contingencies for the Dufferin Avenue 12-inch Water Main Replacement Project, Bid No. 6440;
- b. Determined that the bids submitted by VCI Telecom, Inc. and Pacific States Engineering in the amounts of \$767,468.29 and \$782,337.00, respectively, are non-responsive; and
- c. Awarded a contract for the construction of the Dufferin Avenue 12-inch Water Main Relocation Project, Bid No. 6440 to the lowest responsive bidder, J. Fletcher Creamer & Son, Inc. of Sylmar, CA, in the amount of \$785,546.00.

Motion – Elliott. Second – Sutter.

Ayes: Anderson, Curtin, Barnhart, Stockton, Sutter, Elliott, and Titus.

Noes: None

Abstain: None.

Absent: Joe Tavaglione (absence due to business)
Peter Hubbard. (absence due to business)

15. PURCHASE OF AUTOMOTIVE EQUIPMENT FOR PUBLIC UTILITIES WATER FIELD FORCES AND CONSTRUCTION INSPECTORS – SAFE W.A.T.E.R. PLAN

The Board requested staff to bring back to the Board as an informational report regarding the advantage and disadvantage of "Buying vs Leasing" equipment.

Following discussion, the Board of Public Utilities:

- a. Authorized two budget transfers in the amount of \$1,430,754.00 and \$70,000.00 from the Evans Reservoir Seismic Rehab Account No. 623000-470742 to the Automotive Equipment Account Nos. 620500-462100 (Water Field Operations) and 621000-462100 (Water Engineering) respectively; and
- b. Approved the capital expenditure of \$1,500,754.00 for a Purchase Order to procure the following automotive equipment: two water service trucks with crane and air compressor, two ten-wheel dump trucks, two John Deere 710D enclosed cab backhoes with pilot control, one medium/heavy duty boom truck, two SPL Zieman 23475 tilt trailers, and four pick-up trucks with extended cab and utility beds; **and**

- c. **Authorized staff to explore the potential of leasing all or part of the equipment identified in this report if it is determined to be in the best financial interest of the Utility.**

Motion – Barnhart. Second – Titus.

Ayes: Anderson, Curtin, Barnhart, Stockton, Sutter, Elliott, and Titus.

Noes: None

Abstain: None.

Absent: Joe Tavaglione (absence due to business)
Peter Hubbard. (absence due to business)

16. **PUBLIC UTILITIES DEPARTMENT ORGANIZATIONAL AND STRATEGIC PLANNING REVIEW**

The Board requested that at 75 percent completion of the review that the report return to the Board or the Finance/Marketing Committee to discuss before it becomes finalized. Also the Board requested that the City Manager's office include input from the Board of Public Utilities members.

Following discussion, the Board of Public Utilities approved the contract with Black & Veatch, Irvine, California, to perform an Organizational and Strategic Planning Review at a cost not-to-exceed \$189,220.

Motion – Elliott. Second – Curtin.

Ayes: Anderson, Curtin, Barnhart, Stockton, Sutter, Elliott, and Titus.

Noes: None

Abstain: None.

Absent: Joe Tavaglione (absence due to business)
Peter Hubbard. (absence due to business)

17. **ITEMS FOR FUTURE BOARD OF PUBLIC UTILITIES CONSIDERATION AS REQUESTED BY A MEMBER OF THE BOARD OF PUBLIC UTILITIES**

No items were noted.

DIRECTOR'S REPORT

18. **AQMD Rule 1309.1 – UPDATE**

General Manager Wright distributed a letter that was sent to SCAQMD dated January 18, 2007 by Riverside Public Utilities.

19. **State and Federal Legislative Update**

20. **Monthly Benchmark Report Cards - December 2006**

21. **Water Highlights - December 2006**

22. **Monthly Update of Goals - *Deferred to the next meeting***

23. **Open and Closed Work Orders – December 2006**

- 24. City Council Agendas - January 9, 2007 and January 16, 2007
- 25. Upcoming Meetings
- 26. Systematic Reporting on Conferences/Seminars

The Board took a five-minute recess and resumed the meeting at 9:30 a.m.

WORKSHOP

The following attendees representing Western Municipal Water District (WMWD) and San Bernardino Valley Municipal Water District (SBVMWD) were present:

John Rossi – WMWD	David Aladjem - SBVMWD
Tom Evans - WMWD	Randy Van Gelder - SBVMWD
Jack Safely - WMWD	

27. SEVEN OAKS DAM WATER CONSERVATION UPDATE

Principal Water Engineer Max Rasouli did a PowerPoint presentation of the Seven Oaks Dam Water Update.

Following discussion, the Board of Public Utilities received and filed this update.

UPCOMING MEETING

Chairman Jim Anderson adjourned the meeting at 10:33 a.m. to the next regularly scheduled meeting of the Board of Public Utilities to be held on **Friday, February 2, 2007**, at **8:15 a.m.** in the Public Utilities Boardroom located at 3901 Orange Street in Riverside, California.

By: _____
David H. Wright, Secretary
Board of Public Utilities

Approved by: City of Riverside Board of Public Utilities

Dated: February 2, 2007